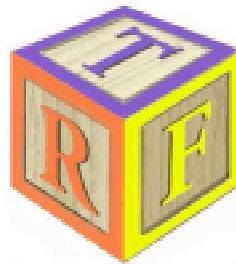




&



INDIANA TEACHERS' RETIREMENT FUND

**REQUEST FOR PROPOSAL
SUDAN LEGISLATION COMPLIANCE SOLUTIONS
RFP NUMBER: 07-05**

RELEASE DATE: JUNE 20, 2007

**DEADLINE FOR INQUIRIES: JUNE 29, 2007 – 3:00 PM (EDT)
DEADLINE FOR SUBMISSION: JULY 18, 2007 – 3:00 PM (EDT)**

REQUEST FOR PROPOSAL
SUDAN LEGISLATION COMPLIANCE SOLUTIONS
RFP NUMBER: 07-05
TABLE OF CONTENTS

SECTION ONE: GENERAL INFORMATION	3
1.1 INTRODUCTION	3
1.2 DEFINITIONS AND ABBREVIATIONS	3
1.3 ISSUER	4
1.4 DUE DATE AND FORMAT FOR PROPOSALS	4
1.5 MODIFICATION OR WITHDRAWAL OF OFFERS	4
1.6 JOINT BIDS / SUBCONTRACTING	4
1.7 CONFIDENTIAL INFORMATION	5
1.8 RFP RESPONSE COSTS	5
1.9 PROPOSAL LIFE	5
1.10 TAXES	6
1.11 SECRETARY OF STATE REGISTRATION	6
1.12 DISCUSSION FORMAT	6
1.13 SUMMARY OF MILESTONES	6
1.14 SEVERABILITY	6
SECTION TWO: PROPOSAL PROCEDURES	7
2.1 CONTACTS	7
2.2 PRE-PROPOSAL CONFERENCE	7
2.3 INQUIRIES ABOUT THE RFP	7
2.4 RESPONDENT SITE VISITS	7
2.5 CONTRACT AWARD	7
SECTION THREE: LENGTH OF CONTRACT AND PRICING	8
3.1 LENGTH OF CONTRACT	8
3.2 PRICING	8
SECTION FOUR: PROPOSAL PREPARATION INSTRUCTIONS	9
4.1 GENERAL	9
4.2 TRANSMITTAL LETTER	9
4.3 BUSINESS PROPOSAL	10
SECTION FIVE: PROPOSAL EVALUATION	12
<u>EXHIBIT A: SCOPE OF WORK</u>	<u>13</u>
<u>EXHIBIT B: CONTRACT TERMS AND CONDITIONS</u>	<u>22</u>
<u>EXHIBIT C: FEES</u>	<u>30</u>
<u>EXHIBIT D: QUESTIONNAIRE</u>	<u>31</u>

**REQUEST FOR PROPOSAL
SUDAN LEGISLATION COMPLIANCE SOLUTIONS
RFP NUMBER: 07-05**

**SECTION ONE
GENERAL INFORMATION**

1.1 INTRODUCTION

The Indiana Public Employees' Retirement Fund ("PERF") in conjunction with the Indiana State Teachers' Retirement Fund ("TRF") are soliciting proposals from all qualified firms who wish to be considered as a vendor for compliance with Indiana legislation in regards to Sudan-related investments. Specifically, PERF and TRF are seeking a compliance solution provider to provide comprehensive management of PERF and TRF's on-going fulfillment of the requirements of House Enrolled Act (HEA) No. 1067 (2007).

PERF is a non-profit, quasi-state agency of the state of Indiana that was created on July 1, 1945, with the passage of the Public Employees' Retirement Act. PERF provides service to the members and their employers for all of the pension funds administered by PERF, having as its goal the accurate accumulation of data and funds in order to provide correct and prompt retirement benefits. The total asset value of funds managed by PERF as of April 30, 2007, was \$16.9 billion.

TRF is a public pension trust fund established under Section 401 of the Revenue Code and by law to provide pension and disability benefits to its members and their beneficiaries. The Fund is regulated pursuant to IC 5-10.2; IC 5-10.4; and 550 IAC. Members of the Fund include licensed and regularly employed public school teachers, administrators and employees of the Fund. The total asset value of funds managed by TRF as of April 30, 2007, was \$8.9 billion.

1.2 DEFINITIONS AND ABBREVIATIONS

Following are explanations of terms and abbreviations appearing throughout this RFP. Other special terms may be used in the RFP, but they are defined where they appear, rather than in the following list.

Board	Board of Trustees of PERF and TRF.
IAC	The Indiana Administrative Code.
IC	The Indiana Code.
PERF	Indiana Public Employees' Retirement Fund
TRF	Indiana State Teachers' Retirement Fund
Proposal	An offer.
Respondent	An offeror who submits a proposal.
Services	Work to be performed as specified in this RFP.

Vendor	Any successful respondent selected as a result of the procurement process to deliver services requested by this RFP.
--------	--

1.3 ISSUER

In accordance with Indiana statutes governing the administration of PERF and TRF, PERF and TRF have issued this RFP. The staffs of PERF and TRF have prepared the content of the RFP. One (1) copy of this RFP may be provided free of charge from PERF or a copy may be obtained from PERF's contracts website at: (<http://www.in.gov/perf/agency/contracts.htm>). A nominal fee will be charged for providing additional hard copies.

1.4 DUE DATE AND FORMAT FOR PROPOSALS

All proposals must be received at the address below no later than July 18, 2007, at 3:00 PM (EDT). Each respondent must submit one (1) original (marked "Original"), one (1) copy of the proposal in CD ROM format, and six (6) copies of their proposal, including the transmittal letter and other related documentation as required in Sections 4.2 and 4.3 of this RFP. The proposal must be addressed/delivered to:

Rebecca Cook
Procurement Officer
Indiana Public Employees' Retirement Fund
143 W. Market Street
Indianapolis, IN 46204

Any proposal received after the due date will not be considered. Any late proposals will be returned, unopened, to the respondent, upon request, within thirty (30) days of filing.

1.5 MODIFICATION OR WITHDRAWAL OF OFFERS

Responses to this RFP may be modified or withdrawn in writing or by fax notice received prior to the date specified for receipt of proposals. The respondent's authorized representative may also withdraw the proposal in person, providing his or her identity is made known and he or she signs a receipt for the proposal. Proposals may not be withdrawn after the proposal due date has passed.

Modification to or withdrawal of a proposal received after the date specified for receipt of proposals will not be considered. If it becomes necessary to revise any part of this RFP or if additional data is necessary for an exact interpretation of provisions of this RFP prior to the due date for proposals, a supplement will be posted by PERF on its website (<http://www.in.gov/perf/agency/contracts.html>). If such addenda issuance is necessary, PERF and TRF reserves the right to extend the due date of proposals to accommodate such interpretations or additional data requirements.

1.6 JOINT BIDS / SUBCONTRACTING

PERF and TRF will not entertain joint bids.

Although PERF and TRF anticipate that any respondent submitting a proposal will provide the major portion of the services as requested, subcontracting by the respondent is acceptable in performing the requirements of this RFP. However, the respondent must obtain the approval of PERF and TRF before subcontracting any portion of the project's requirements. The respondent is responsible for the performance of any obligations that may result from this RFP and shall not be relieved by the non-performance of any subcontractor. Any respondent's proposal must identify all subcontractors and outline the contractual relationship between the respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal.

Any subcontracts entered into by the respondent must be in compliance with all State of Indiana statutes and be subject to the provisions thereof. For each portion of the proposed services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience.

The combined qualifications and experience of the respondent and any or all subcontractors will be considered in PERF and TRF's evaluation. The respondent must furnish information to PERF and TRF as to the amount of the subcontract, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by PERF and TRF. All subcontracts held by the respondent must be made available upon request for inspection and examination by appropriate PERF or TRF officials and such relationships must meet with the approval of the PERF and TRF.

1.7 CONFIDENTIAL INFORMATION

Respondents are advised that materials contained in proposals are subject to the Indiana Public Records Act, IC 5-14-3 et seq., and, after the contract award, may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the Indiana Public Records Act must place all confidential documents (including the requisite number of copies) in a sealed envelope clearly marked "Confidential" and must indicate in the transmittal letter and on the outside of that envelope that confidential materials are included. The respondent must also specify which statutory exception provision applies.

PERF and TRF reserve the right to make determinations of confidentiality. If PERF and TRF do not agree that the information designated is confidential under one of the disclosure exceptions to the Indiana Public Records Act, they may either reject the proposal or discuss its interpretation of the allowable exceptions with the respondent. If agreement can be reached, the proposal will be considered.

If agreement cannot be reached, PERF and TRF will remove the proposal from consideration for award and return the proposal to the respondent. PERF and TRF will not determine prices to be confidential information.

1.8 RFP RESPONSE COSTS

PERF or TRF accepts no obligations for costs incurred by respondents in anticipation of being awarded a contract.

1.9 PROPOSAL LIFE

All proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the due date for proposals. Any proposal accepted by PERF and TRF for the purpose of contract negotiations shall remain valid until superseded by a contract or until rejected by PERF and

TRF.

1.10 TAXES

PERF and TRF are exempt from federal, state, and local taxes. PERF and TRF will not be responsible for any taxes levied on the respondent as a result of any contract resulting from this RFP.

1.11 SECRETARY OF STATE REGISTRATION

Before an out-of-state respondent can do business with PERF and TRF, the respondent must be registered with the Indiana Secretary of State. If an out-of-state respondent does not have such registration at present, the respondent should contact

Secretary of State of Indiana
Corporation Division
402 West Washington Street, E018
Indianapolis, IN 46204
(317) 232-6576

for the necessary registration application form, or it can be accessed via the internet at <http://www.in.gov/icpr/webfile/formsdiv/38784.pdf>. It is each respondent's responsibility to register prior to the initiation of any contract discussions.

1.12 DISCUSSION FORMAT

PERF and TRF reserve the right to conduct discussions, either oral or written, with those respondents determined by PERF and TRF to be reasonably viable to being selected for award. PERF and TRF also reserve the right to conduct clarifications to resolve minor issues.

1.13 SUMMARY OF MILESTONES

The following is the expected timeline for the RFP.

<u>ACTIVITY</u>	<u>EXPECTED DATE</u>
RFP Published/Released	June 20, 2007
Respondent's inquiry period ends	June 29, 2007 3:00 PM (EDT)
Proposal submission date	July 18, 2007 3:00 PM (EDT)
Evaluation and selection of finalists	Completed July 27, 2007
Meetings with finalists	Weeks of July 30 & August 6, 2007

1.14 SEVERABILITY

While this is a joint RFP, PERF and TRF retain the right to select different contractors if either deems in their sole discretion that it is in the best interest of the respective fund to do so.

SECTION TWO

PROPOSAL PROCEDURES

2.1 CONTACTS

Inquiries are not to be directed to any staff or Board member of PERF or TRF, except as outlined in Section 2.3. Such unauthorized communication(s) may disqualify respondent from further consideration.

The Fund reserves the right to discuss any part of any response for the purpose of clarification. Respondents will be given equal access to any communications about the request for proposal between the Fund and other respondents.

2.2 PRE-PROPOSAL CONFERENCE

It is the decision of PERF and TRF that no pre-proposal conference is required for this RFP.

2.3 INQUIRIES ABOUT THE RFP

All inquiries and requests for information affecting this RFP must be submitted in writing by e-mail to:

Rebecca Cook
Procurement Officer
rcook@perf.state.in.us

no later than June 29, 2007 at 3:00 PM (EDT). PERF and TRF reserve the right to judge whether any questions should be answered in writing and copies will be distributed to all prospective respondents who are known to have received a copy of the original RFP.

2.4 RESPONDENT SITE VISITS

PERF and TRF may request a site visit to a respondent's working support center to aid in the evaluation of the respondent's proposal.

2.5 CONTRACT AWARD

Based on the results of this process, the qualifying proposal determined to be the most advantageous to PERF and TRF, taking into account all of the evaluation factors, may be selected by PERF and TRF for further action, such as contract award. If, however, PERF and TRF decide that no proposal is sufficiently advantageous to PERF and TRF, PERF and TRF may take whatever further action is deemed best in its sole discretion, including making no contract award. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the respondent, PERF and TRF may begin contract preparation with the next qualified respondent or determine that it does not wish to award a contract pursuant to this RFP.

PERF and TRF reserve the right to reject any or all proposals received or to award, without discussions or clarifications, a contract on the basis of proposals received. Therefore, each proposal should contain the respondent's best terms from a price and technical standpoint.

SECTION THREE

LENGTH OF CONTRACT AND PRICING

3.1 LENGTH OF CONTRACT

The term of the contract entered into under this RFP shall be for a period of five (5) years, beginning from date of final execution of contract. There may be one (1) renewal under the same terms and conditions at PERF and TRF's option up to the length of the original term. Total contract period shall not exceed ten (10) years.

3.2 PRICING

The compensation for the duration of this contract shall be fixed by negotiation from the pricing set forth in response to this Request for Proposal. Once the apparent successful Respondent is selected, the pricing may be negotiated further. PERF and TRF requests the pricing associated with this RFP be a firm proposal price that must remain open and in effect for a period of not less than 180 days from the proposal due date. Prices quoted shall include all costs for services provided under this contract. Any unspecified costs shall be borne by the Respondent.

SECTION FOUR PROPOSAL PREPARATION INSTRUCTIONS

4.1 GENERAL

To facilitate the timely evaluation of proposals, a standard format for proposal submission has been developed and is documented in this section. All respondents are required to format their proposals in a manner consistent with the guidelines described below:

1. Each item must be addressed in the respondent's proposal or the proposal may be rejected.
2. The transmittal letter should be in the form of a letter. The business proposal must be organized under the specific section titles as listed below.
3. PERF and TRF may, at their option, allow all respondents a five-calendar-day period to correct errors or omissions to their proposals. Should this necessity arise, PERF and TRF will contact each respondent affected. Each respondent must submit written corrections to the proposal within five calendar days of notification. The intent of this option is to allow proposals with only minor errors or omissions to be corrected. Major errors or omissions, such as the failure to include prices, will not be considered by PERF and TRF as a minor error or omission and may result in disqualification of the proposal from further evaluation.

A complete proposal will include the following:

1. Hard copy submission of a transmittal letter (with the information in Section 4.2)
2. Hard copy submission of a Business Proposal (with the information and attachments described in Section 4.3)
3. Original, six (6) copies, and CD ROM of entire proposal as outlined in Section 1.4

4.2 TRANSMITTAL LETTER

The Transmittal Letter must address the following topics:

4.2.1 Identification

The transmittal letter must first identify the RFP.

4.2.2 Summary of Ability and Desire to Supply the Required Services

The transmittal letter must briefly summarize the respondent's ability to supply the requested services. The letter must also contain a statement indicating the respondent's willingness to provide the requested services subject to the terms and conditions set forth in the RFP including, but not limited to, PERF and TRF's standard contract clauses.

4.2.3 Signature of Authorized Representative

A person authorized to commit the respondent to its representations must sign the transmittal letter. Respondent personnel signing the transmittal letter of the proposal must be legally authorized by the organization to commit the organization contractually.

This section must contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill

this requirement.

4.2.4 Other Information

Any other information the respondent may wish to briefly summarize will be acceptable.

4.3 BUSINESS PROPOSAL

The Business Proposal must contain the following items:

4.3.1 Ability to Perform Scope of Services

Respondent should demonstrate in this section its ability to meet the requirements set forth in Exhibit A, Scope of Services.

4.3.2 References

The respondent should include a list of at least three (3) clients for whom the respondent has provided products and services that are the same or similar to those products and services requested in this RFP. Any state government or pension fund for whom the respondent has provided these products and services should be included; also to be included should be clients with locations near Indianapolis, as site visits may be arranged.

Information provided should include the name, address, and telephone number of the client facility and the name, title, e-mail address, and phone/fax numbers of a person who may be contacted for further information.

4.3.3 Registration to do Business

Respondents proposing to provide services required by this RFP are required to be registered to do business within the state by the Indiana Secretary of State. The address contact information for this office may be found in Section 1.11 of this RFP. This process must be concluded prior to contract negotiations with PERF and TRF. It is the successful respondent's responsibility to complete the required registration with the Secretary of State. The respondent must indicate the status of registration, if applicable, in this section of the proposal.

4.3.4 Subcontractors

The respondent must list any subcontractors that are proposed to be used in providing the required services. The subcontractor's responsibilities under the proposal, the subcontractor's form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor.

This assurance in no way relieves the respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the proposal.

4.3.5 Financial Statements

This section must include the respondent's financial statements, including an income statement and balance sheet for each of the two most recently completed fiscal years.

4.3.6 Minority Business Development

The contract goal is that at least seven percent (7%) of state contracts be with minority and women business enterprises as defined in IC 4-13-16.5. This goal is established under in IC 4-13-16.5-2 (f) (7). It is the intent of the Funds to meet or exceed the 7% minority and women's business enterprise participation goal.

Participation does not need to be only through subcontractors, but can also be through second-tier participation with common suppliers (office supplies, courier services, accounting services, janitorial services, etc.). Include only the proportion of those contracts which pertain to the bid being submitted.

SECTION FIVE PROPOSAL EVALUATION

PERF and TRF have selected a group of qualified personnel to act as an evaluation team. The procedure for evaluating the responses against the evaluation criteria will be as follows:

1. Each response will be evaluated on the basis of the criteria listed below.
2. Based on the results of the evaluation, the proposal determined to be most advantageous to PERF and TRF, taking into account all of the evaluation factors, may be selected by PERF and TRF for further action.
3. In addition, the evaluation team will consider other factors they believe to be material for this selection.

Proposals will be evaluated based upon the proven ability of the respondent to satisfy the requirements in an efficient, cost-effective manner, taking into account quality of service with minimal tolerance for error. Specific criteria include:

1. Breadth of services provided to achieve compliance with HEA No. 1067 (2007)
2. Experience and track record in the field
3. Price

All proposals will be reviewed by members of PERF and TRF. References may be contacted. It is possible that finalists will be interviewed by persons participating in the selection process.

**REQUEST FOR PROPOSAL
SUDAN LEGISLATION COMPLIANCE SOLUTIONS
RFP NUMBER: 07-05**

**EXHIBIT A
SCOPE OF WORK**

The Indiana Public Employees' Retirement Fund ("PERF") in conjunction with the Indiana State Teachers' Retirement Fund ("TRF") is soliciting proposals from all vendors who wish to be considered as a vendor to ensure compliance with House Enrolled Act (HEA) No. 1067. Specifically, PERF and TRF are seeking a vendor to assist in the full implementation of the requirements of HEA No. 1067 (2007) that pertain to Sudan-related investments (SECTION 3. IC 5-10.2-9; SECTION 4. IC 34-30-2-11.3; and SECTION 5. At a minimum, the vendor would be responsible for creating the scrutinized company list based on the terms of the legislation, engaging all firms on that list on an ongoing basis, updating the scrutinized company list on an annual basis and supporting regular reporting.

HOUSE ENROLLED ACT No. 1067

SECTION 3. IC 5-10.2-9 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 9. Sudan Divestment

Sec. 1. As used in this chapter, "active business operations" means all business operations that are not inactive business operations.

Sec. 2. As used in this chapter, "board" refers to the following:

- (1) The board of trustees of the Indiana state teachers' retirement fund.**
- (2) The board of trustees of the public employees' retirement fund.**

Sec. 3. As used in this chapter, "business operations" means engaging in any commerce in any form in Sudan.

Sec. 4. (a) As used in this chapter, "company" means any of the following:

- (1) A sole proprietorship.**
- (2) An organization.**
- (3) An association.**
- (4) A corporation.**
- (5) A partnership.**
- (6) A joint venture.**
- (7) A limited partnership.**
- (8) A limited liability partnership.**
- (9) A limited liability company.**
- (10) A business association.**

(b) The term includes all wholly owned subsidiaries, majority owned subsidiaries, parent companies, and affiliates of such entities or business associations that exist for profit making purposes.

Sec. 5. For purposes of this chapter, a company is "complicit in the Darfur genocide" if the company took any actions during the preceding twenty (20) month period that directly support or promote the genocidal campaign in the Darfur region of Sudan, including any of the following:

- (1) Preventing Darfur's victimized population from communicating with each other.**
- (2) Encouraging Sudanese citizens to speak out against an internationally approved security force in Darfur.**
- (3) Actively working to deny, cover up, or alter the record on human rights abuses in Darfur.**

Sec. 6. As used in this chapter, "cost of divestment" means the sum of the following:

(1) The costs associated with the sale, redemption, divestment, or withdrawal of an investment.

(2) The costs associated with the acquisition and maintenance of a replacement investment.

(3) A cost not described in subdivision (1) or (2) that is incurred by the fund in connection with a divestment transaction.

Sec. 7. As used in this chapter, "direct holdings" means all securities of a company held directly by the fund or in an account in which the fund owns all shares or interests.

Sec. 8. As used in this chapter, "fund" refers to the following:

(1) The Indiana state teachers' retirement fund.

(2) The public employees' retirement fund.

Sec. 9. (a) As used in this chapter, "government of Sudan"

refers to the government in Khartoum, Sudan, that is led by the National Congress Party (formally known as the National Islamic Front) or any successor government formed on or after October 13, 2006, including the coalition National Unity Government agreed upon in the Comprehensive Peace Agreement for Sudan.

(b) The term does not include the regional government of southern Sudan.

Sec. 10. As used in this chapter, "inactive business operations" means the mere continued holding or renewal of rights to property previously operated to generate revenues but not presently deployed for such purpose.

Sec. 11. As used in this chapter, "indirect holdings" means all securities of a company:

(1) held in an account or a fund; and

(2) managed by one (1) or more persons not employed by the fund, in which the fund owns shares or interests together with other investors not subject to this chapter.

Sec. 12. As used in this chapter, "marginalized populations of Sudan" includes the following:

(1) The part of the population in the Darfur region that has been genocidally victimized.

(2) The part of the population of southern Sudan victimized by Sudan's north-south civil war.

(3) The Beja, Rashidiya, and other similarly underserved groups of eastern Sudan.

(4) The Nubian and other similarly underserved groups in Sudan's Abyei, southern Blue Nile, and Nuba mountain regions.

(5) The Amri, Hamadab, Manasir, and other similarly underserved groups of northern Sudan.

Sec. 13. (a) As used in this chapter, "military equipment" means weapons, arms, or military defense supplies provided directly or indirectly to any force actively participating in the conflict in Sudan. The term includes any equipment that readily may be used for military purposes, including:

(1) radar systems; or

(2) military grade transport vehicles.

(b) The term does not include weapons, arms, or military defense supplies sold to peacekeeping forces that may be dispatched to Sudan by the United Nations or the African Union.

Sec. 14. (a) As used in this chapter, "mineral extraction

activities" means the exploration, extraction, processing, transporting, or wholesale sale of elemental minerals or associated metals or oxides, including:

(1) gold;

(2) copper;

- (3) chromium;
- (4) chromite;
- (5) diamonds;
- (6) iron;
- (7) iron ore;
- (8) silver;
- (9) tungsten;
- (10) uranium; and
- (11) zinc.

(b) The term includes the facilitation of mineral extraction activities, including the provision of supplies or services in support of mineral extraction activities.

Sec. 15. (a) As used in this chapter, "oil related activities" includes:

- (1) the export of oil;
- (2) the extraction of or production of oil;
- (3) the exploration for oil;
- (4) the ownership of rights to oil blocks;
- (5) the refining or processing of oil;
- (6) the transportation of oil;
- (7) the selling or trading of oil; or
- (8) the construction or maintenance of a pipeline, a refinery, or another oil field infrastructure.

(b) The term includes the facilitation of oil related activities, including the provision of supplies or services in support of oil related activities. The mere retail sale of gasoline and related consumer products is not considered an oil related activity.

Sec. 16. As used in this chapter, "power production activities" means any business operation that involves a project commissioned by the National Electricity Corporation of Sudan or other similar entity of the government of Sudan whose purpose is to facilitate power generation and delivery. The term includes the following:

- (1) Establishing power generating plants or hydroelectric dams.
- (2) Selling or installing components for power generating plants or hydroelectric dams.
- (3) Providing service contracts related to the installation or maintenance of power generating plants or hydroelectric dams.

(4) Facilitating power production activities, including providing supplies or services in support of power production activities.

Sec. 17. As used in this chapter, "research firm" means a reputable, neutral third party research firm not controlled by the fund.

Sec. 18. (a) As used in this chapter, "scrutinized company" means a company that meets any of the following criteria:

- (1) Both of the following apply to the company:
 - (A) The company has business operations that involve contracts with or the provision of supplies or services to:
 - (i) the government of Sudan;
 - (ii) companies in which the government of Sudan has any direct or indirect equity share;
 - (iii) consortiums or projects commissioned by the government of Sudan; or
 - (iv) companies involved in consortiums or projects commissioned by the government of Sudan.

(B) Either:

- (i) more than ten percent (10%) of the company's revenues or assets linked to Sudan involve oil related activities or mineral extraction activities, and less than seventy-

five percent (75%) of the company's oil related or mineral extracting revenues or assets linked to Sudan involve contracts with the regional government of southern Sudan or a project or consortium created exclusively by the regional government, and the company has failed to take substantial action; or

(ii) more than ten percent (10%) of the company's revenues or assets linked to Sudan involve power production activities and less than seventy-five percent (75%) of the company's power production activities include projects that are intended to provide power or electricity to the marginalized populations of Sudan, and the company has failed to take substantial action.

(2) The company is complicit in the Darfur genocide.

(3) The company supplies military equipment within Sudan, unless the company implements safeguards to prevent the use

of the equipment by forces actively participating in armed conflict in Sudan. This subdivision does not apply to companies involved in the sale of military equipment solely to the regional government of southern Sudan or any internationally recognized peacekeeping force or humanitarian organization.

(b) The term does not include a social development company that is not complicit in the Darfur genocide.

Sec. 19. As used in this chapter, "social development company" means a company whose primary purpose in Sudan is to provide humanitarian goods or services, including:

- (1) medicine or medical equipment;
- (2) agricultural supplies or infrastructure;
- (3) educational opportunities;
- (4) journalism related activities;
- (5) information or informational materials;
- (6) spiritual related activities;
- (7) services that are clerical or reporting in nature;
- (8) food;
- (9) clothing; or

(10) general consumer goods that are unrelated to oil related activities, mineral extraction activities, or power production activities.

Sec. 20. As used in this chapter, "substantial action" means:

- (1) adopting, publicizing, and implementing a formal plan to cease scrutinized business operations within one (1) year and to refrain from any new business operations;
- (2) undertaking significant humanitarian efforts on behalf of one (1) or more marginalized populations of Sudan; or
- (3) materially improving conditions for the genocidally victimized population in Darfur through engagement with the government of Sudan.

Sec. 21. (a) Not later than March 30, 2008, each board shall make a good faith effort to identify all scrutinized companies in which the fund administered by the board has direct or indirect holdings.

(b) In carrying out its responsibilities under subsection (a), and at the board's discretion, each board may use existing research or contract with a research firm.

(c) A board or a research firm with which the board contracts under subsection (b) may take any of the following actions:

(1) Review publicly available information regarding companies with business operations in Sudan.

(2) Contact other institutional investors that invest in companies with business operations in Sudan.

(3) Contact asset managers contracted by the fund that invest in companies with

business operations in Sudan.

(d) Not later than the first meeting of the board after March 30, 2008, each board shall compile the names of all scrutinized companies into a scrutinized company list and indicate whether each scrutinized company has active or inactive business operations in Sudan.

(e) Each board shall update its scrutinized company list at least on an annual basis based on evolving information from sources described in subsections (b) and (c).

Sec. 22. After a board creates or updates the scrutinized company list under section 21 of this chapter, the board shall immediately identify the companies on the scrutinized company list in which the fund administered by the board has direct or indirect holdings.

Sec. 23. (a) Each fund shall send to each scrutinized company:

(1) that is identified under section 22 of this chapter as one in which the fund has direct or indirect holdings; and

(2) that has only inactive business operations;
a written notice concerning the contents of this chapter and a statement encouraging the company to continue to refrain from initiating active business operations in Sudan until the company is able to avoid scrutinized business operations altogether.

(b) The fund shall continue to correspond on a semiannual basis with scrutinized companies in which the fund has direct or indirect holdings and that have only inactive business operations.

Sec. 24. (a) Each fund shall send to each scrutinized company:

(1) that is identified under section 22 of this chapter as one in which the fund has direct or indirect holdings; and

(2) that has active business operations;
a written notice concerning the contents of this chapter and a statement indicating that the fund's holdings in the company may become subject to divestment by the fund.

(b) A notice sent under this section shall:

(1) offer the company the opportunity to clarify the company's Sudan related activities; and

(2) encourage the company, within ninety (90) days after the date of the written notice, to either:

(A) cease its scrutinized business operations; or

(B) convert the company's operations to inactive business operations in order to avoid divestment by the fund of the fund's holdings in the company.

Sec. 25. (a) If, within ninety (90) days after a fund's first engagement with a company under section 24 of this chapter, the company ceases scrutinized business operations, the company shall be removed from the fund's scrutinized company list and the provisions of sections 26, 27, 28, and 29 of this chapter shall cease to apply to the company unless the company resumes scrutinized business operations.

(b) If, within ninety (90) days after a fund first engages with a company under section 24 of this chapter, the company converts its scrutinized active business operations to inactive business operations, the company shall be subject to the provisions of section 23 of this chapter.

Sec. 26. (a) Except as provided in sections 28 and 29 of this chapter, if, after ninety (90) days after a fund's first engagement with a company under section 24 of this chapter, the company continues to have scrutinized active business operations, the fund shall sell, redeem, divest, or withdraw all publicly traded securities of the company that are held by the fund, as follows:

(1) At least fifty percent (50%) of such assets shall be removed from the fund's assets under management within nine (9) months after the company's appearance on the scrutinized company list.

(2) One hundred percent (100%) of such assets shall be removed from the fund's assets under management within fifteen (15) months after the company's appearance on the scrutinized company list.

(b) If a company that ceased scrutinized active business operations following engagement under section 24 of this chapter resumes scrutinized active business operations, and only while the company continues to have active business operations, the company shall immediately be placed back on the scrutinized company list. A fund that has holdings in the company shall sell, redeem, divest, or withdraw all publicly traded securities of the company as provided in subsection (a) based on the date the company is placed back on the scrutinized company list. The fund shall send a written notice to the company indicating that the company was placed back on the scrutinized company list and is subject to divestment.

(c) A board is not required to divest the board's holdings in a passively managed commingled fund that includes a scrutinized company with active business operations in Sudan if the estimated cost of divestment of the commingled fund is greater than ten percent (10%) of the total value of the scrutinized companies with active business operations held in the commingled fund. The board shall include any commingled fund that includes a scrutinized company that is exempted from divestment under this subsection in the board's report submitted to the legislative council under section 31 of this chapter.

Sec. 27. Except as provided in sections 28 and 29 of this chapter, a fund shall not acquire securities of companies on the scrutinized company list that have active business operations.

Sec. 28. If the government of the United States affirmatively declares any company on the scrutinized company list with active business operations in Sudan to be excluded from any federal sanctions relating to Sudan, the company is not subject to divestment or investment prohibition under this chapter.

Sec. 29. Notwithstanding any provision to the contrary, sections 26 and 27 of this chapter do not apply to indirect holdings in actively managed investment funds. However, if a fund has indirect holdings in actively managed investment funds containing the securities of scrutinized companies with active business operations, the fund shall submit letters to the managers of the investment funds requesting that the managers remove the scrutinized companies with active business operations from the fund or create a similar actively managed fund with indirect holdings without scrutinized companies with active business operations. If the manager creates a similar fund, the fund shall replace all applicable investments with investments in the similar fund in a period consistent with prudent investing standards.

Sec. 30. This chapter does not apply to private equity funds.

Sec. 31. (a) On or before November 1, 2007, and thereafter as directed by the legislative council, the board shall submit a report in an electronic format under IC 5-14-6 to the legislative council for distribution to the members of the general assembly.

(b) The report must include at least the following information, as of the date of the report:

- (1) A copy of the scrutinized company list.
- (2) A summary of correspondence with companies engaged by the fund under sections 23 and 24 of this chapter.
- (3) All investments sold, redeemed, divested, or withdrawn in compliance with section 26 of this chapter.
- (4) All commingled funds that are exempted from divestment under section 26 of this chapter.
- (5) All prohibited investments under section 27 of this chapter.

(6) Any progress made under section 29 of this chapter.

Sec. 32. This chapter expires on the earliest of the following:

(1) Twelve (12) months after the date the government of Sudan halts the genocide in Darfur as determined by the Congress of the United States and the United States Department of State.

(2) The date the United States revokes its current sanctions against the government of Sudan.

(3) The date Congress or the President of the United States, through legislation or executive order, declares that mandatory divestment of the type provided for in this chapter interferes with the conduct of foreign policy for the United States.

(4) The date Congress or the President of the United States declares that the government of Sudan:

(A) has honored its commitments to cease attacks on civilians;

(B) demobilizes and demilitarizes the Janjaweed and associated militias;

(C) grants free and unfettered access for deliveries of humanitarian assistance;

and

(D) allows for the safe and voluntary return of refugees and international displaced persons.

Sec. 33. With respect to actions taken in compliance with this chapter, including all good faith determinations regarding companies on the scrutinized company list, the fund shall be exempt from any conflicting statutory or common law obligations, including any obligations with respect to choice of asset managers, investment funds, or investments for fund securities portfolios.

Sec. 34. (a) Notwithstanding any provision to the contrary, the fund shall be permitted to cease divesting and to reinvest in certain scrutinized companies on the scrutinized company list with active business operations in Sudan if evidence shows that the value for all assets under management by the fund becomes equal to or less than ninety-nine and five-tenths percent (99.5%) of the value of all assets under management by the fund, including the companies divested under section 26 of this chapter.

(b) As provided by this section, any cessation of divestment or reinvestment shall be strictly limited to the minimum steps necessary to avoid the contingency set forth in subsection (a).

(c) For any cessation of divestment, reinvestment, and subsequent ongoing investment authorized by this section, the fund shall submit a report in an electronic format under IC 5-14-6 to the legislative council for distribution to the members of the general assembly in advance of any initial reinvestment. The report shall be updated annually thereafter as applicable, setting forth the reasons and justifications for the decision to cease divestment, reinvest, or remain invested with companies with scrutinized active business operations. This section does not apply to companies that have ceased to have scrutinized business operations.

Sec. 35. (a) Both:

(1) the state and its officers, agents, and employees; and

(2) the fund and its board members, executive director, officers, agents, and employees;

are immune from civil liability for any act or omission related to the removal of an asset from the fund under this chapter.

(b) In addition to the immunity provided under subsection (a), both:

(1) the officers, agents, and employees of the state; and

(2) the board members, executive director, officers, agents, and employees of the fund;

are entitled to indemnification from the fund for all losses, costs, and expenses, including

reasonable attorney's fees, associated with defending against any claim or suit relating to an act authorized under this chapter.

Sec. 36. The provisions of this chapter are severable in the manner provided in IC 1-1-1-8(b).

SECTION 4. IC 34-30-2-11.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 11.3. IC 5-10.2-9-33 (Concerning the state and certain public pension funds for divestment of fund assets authorized by law).**

SECTION 5. [EFFECTIVE JULY 1, 2007] (a) This SECTION applies to IC 5-10.2-9, as added by this act.

(b) The definitions in IC 5-10.2 apply throughout this SECTION.

(c) The general assembly finds the following:

(1) Mandatory divestment by the funds of the funds' holdings in certain companies is a measure that should be employed only under extraordinary circumstances.

(2) The Congress and President of the United States have declared that genocide is occurring in the Darfur region of Sudan.

(3) The Sudan crisis represents the first time the government of the United States has labeled ongoing atrocities a genocide.

(4) The situation in Sudan is unique and constitutes the extraordinary circumstances necessary for mandatory divestment by the funds of the funds' holdings in scrutinized companies with active business operations in Sudan.

PROPOSAL
SUDAN LEGISLATION COMPLIANCE SOLUTIONS
RFP NUMBER: 07-05

EXHIBIT B
CONTRACT TERMS AND CONDITIONS

The following terms and conditions are standard to PERF and TRF contracts. While substantially the same, the form of PERF's standard contract may vary from that of TRF's. A blank copy of PERF's and or TRF's standard contract is available upon written request. Certain terms and conditions are mandatory in all contracts with the Fund. Those provisions are as follows.

1. Access to Records (MANDATORY)

The Contractor and its subcontractors shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the cost incurred, and shall make such materials available at their respective offices at all reasonable times during the contract period and for seven (7) years from the date of final payment under this contract for inspection by the Fund or by any other authorized representative of the Fund, and copies thereof shall be furnished at no cost to the Fund if requested.

Upon execution of this contract, Fund will provide Contractor with a list of Authorized Persons who will be permitted to advise, inform, and direct Contractor on Fund's behalf, together with signature specimens of certain Authorized Persons who may execute specific tasks under this contract. The list of Authorized Persons and any changes to such list shall be made in writing to Contractor and signed by Fund's Director or the Director's designee. Until notified of any such change, Contractor may rely on and act upon instructions and notices received from an Authorized Person identified on the then-current list furnished by Fund.

All Authorized Instructions shall be in writing and transmitted by first class mail, private express courier, facsimile, or other authenticated electronic transmissions; *provided, however*, that Contractor may, in its discretion, accept verbal Authorized Instructions subject to written confirmation of same from such Authorized Person. Such Authorized Instructions shall bind Contractor upon receipt. If Contractor receives instructions or notices from a source other than an Authorized Person, Contractor shall not comply with them and shall immediately notify Fund's Executive Director in writing of such unauthorized instructions or notices.

2. Assignment (MANDATORY)

The Contractor shall not assign or subcontract the whole or any part of this contract without the Fund's prior written consent, except that the Contractor may assign its right to receive payments to such third parties as the Contractor may desire without the prior written consent of the Fund, provided that Contractor gives written notice (including evidence of such assignment) to the Fund thirty (30) days in advance of any payment so assigned. Assignment shall cover all unpaid amounts under this contract and shall not be made to more than one party.

3. Successors and Assignees (MANDATORY)

The Contractor binds his successors, executors, administrators, and assignees to all covenants of this contract. Except as above set forth, the Contractor shall not assign, sublet, or transfer interest in this contract without the prior written consent of the Fund.

4. Audit and Audit Settlement (MANDATORY)

The Contractor acknowledges that it may be required to submit to an audit of funds paid through this Contract. Any such audit shall be conducted in accordance with IC 5-11-1, et. seq. and audit guidelines specified by the Fund.

If an error is discovered as a result of an audit performed by Contractor or Fund, or if Contractor becomes aware of any error through any other means, Contractor shall use its best efforts to promptly correct such error or to cause the appropriate party to correct such error.

5. Compliance with Laws (MANDATORY)

The Contractor agrees to comply with all applicable federal, state, and local laws, rules, regulations or ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment of any state or federal statute or the promulgation of regulations thereunder after execution of this contract shall be reviewed by the Fund and the Contractor to determine whether any provisions of this contract require formal amendment.

6. Confidentiality of Fund Information (MANDATORY)

The Contractor understands and agrees that data, materials, and information disclosed to Contractor contain confidential and protected data; therefore, the Contractor promises and assures that data, material, and information gathered, based upon, or disclosed to the Contractor for the purpose of this contract, will be treated as confidential and will not be disclosed to others or discussed with other parties without the prior written consent of the Fund.

7. Confidentiality of Data, Property Rights in Products, and Copyright Prohibition (MANDATORY)

The Contractor agrees that all information, data, findings, recommendations, proposals, etc., by whatever name described and by whatever form therein, secured, developed, written, or produced by the Contractor in furtherance of this contract shall be the property of the Fund, and the Contractor shall take such action as is necessary under law to preserve such property rights in and of the Fund while such property is within the control and/or custody of the Contractor. By this contract, the Contractor specifically waives and/or releases to the Fund any cognizable property right of the Contractor to copyright, license, patent, or otherwise use such information, data, findings, recommendations, proposals, etc.

8. Ownership of Documents and Materials (MANDATORY)

All documents, records, programs, data, film, tape, articles, memos, and other materials developed under this contract shall be considered "work for hire," and the Contractor transfers any ownership claim to the Fund and all such matters will be the property of the Fund. Use of these materials, other than related to contract performance by the Contractor, without the prior written consent of the Fund, is prohibited. During the performance of the services specified herein, the Contractor shall be responsible for any loss or damage to these materials developed for or supplied by the Fund and used to develop or assist in the services provided herein while they are in the possession of the Contractor, and any loss or damage thereto shall be restored at the Contractor's expense. Full, immediate, and unrestricted access to the work product of the Contractor during the term of this contract shall be available to the Fund.

9. Conflict of Interest (MANDATORY)

A. Conflict of interest, as defined in this section:

“Immediate family” means the spouse and the unemancipated children of an individual.

“Interested party,” means:

- a. The individual executing this Contract;
- b. An individual who has an interest of three percent (3%) or more of the Contractor, if the Contractor is not an individual; or
- c. Any member of the immediate family of an individual specified under subdivision a. or b.

“Fund” means the Indiana Public Employees’ Retirement Fund and Indiana State Teachers’ Retirement Fund.

“Commission” means the State Ethics Commission.

B. The Fund may cancel this Contract without recourse by the Contractor if any interested party is, or becomes, an employee of the Fund.

C. The Fund will not exercise its right of cancellation under section B, above, if the Contractor gives the Fund an opinion by the Commission indicating that the existence of this Contract and the employment by the Fund of the interested party does not violate any statute or rule relating to ethical conduct of Fund employees. The Fund may take action, including cancellation of this Contract, consistent with an opinion of the Commission obtained under this section.

D. The Contractor has an affirmative obligation under this Contract to disclose to the Fund when an interested party is or becomes an employee of the Fund. The obligation under this section extends only to those facts that the Contractor knows or reasonably could know.

10. Debarment and Suspension (MANDATORY)

The Contractor certifies by entering into this Contract that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Contract by any federal agency or by any department, agency or political subdivision of the Fund. The term “principal” for purposes of this Contract means an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Contractor.

The Contractor certifies that it has verified the state and federal suspension and debarment status for all subcontractors receiving funds under this Contract and shall be solely responsible for any recoupment, penalties or costs that might arise from use of a suspended or debarred subcontractor. The Contractor shall immediately notify the Fund if any subcontractor becomes debarred or suspended, and shall, at the Fund’s request, take all steps required by the Fund to terminate its contractual relationship with the subcontractor for work to be performed under this Contract.

11. Disputes (MANDATORY)

Should any disputes arise with respect to this contract, the Contractor and the Fund agree to act immediately to resolve any such disputes. Time is of the essence in the resolution of disputes.

The Contractor agrees that, the existence of a dispute notwithstanding, it will continue without delay to carry out all its responsibilities under this contract which are not affected by the dispute. Should the Contractor fail to continue without delay to perform its responsibilities under this contract in the

accomplishment of all non-disputed work, any additional costs incurred by the Contractor or the Fund as a result of such failure to proceed shall be borne by the Contractor, and the Contractor shall make no claim against the state of Indiana for such costs.

The Fund may withhold payments on disputed items pending resolution of the dispute. The unintentional nonpayment by the Fund to the Contractor of one or more invoices not in dispute in accordance with the terms of this contract will not be cause for Contractor to terminate this contract, and the Contractor may bring suit to collect without following the dispute procedure contained herein.

This section shall not be construed to limit the right of either party to terminate the contract pursuant to the terms of the "Termination" section of the contract.

12. Maintaining a Drug-Free Workplace (MANDATORY)

a. Contractor hereby covenants and agrees to make a good faith effort to provide and maintain during the term of this contract a drug-free workplace, and that it will give written notice to the Fund within ten (10) days after receiving actual notice that an employee of Contractor has been convicted of a criminal drug violation occurring in Contractor's workplace.

b. In addition to the provisions of subparagraph a. above, if the total contract amount set forth in this contract is in excess of \$25,000.00, Contractor hereby further agrees that this contract is expressly subject to the terms, conditions, and representations contained in the Drug-Free Workplace Certification executed by Contractor in conjunction with this contract.

c. It is further expressly agreed that the failure of Contractor to in good faith comply with the terms of subparagraph a. above, or falsifying or otherwise violating the terms of the certification referenced in subparagraph b. above, shall constitute a material breach of this contract, and shall entitle the Fund to impose sanctions against the Contractor including, but not limited to, suspension of contract payments, termination of this contract and/or debarment of the Contractor from doing further business with the Fund for up to three (3) years.

13. Drug-Free Workplace Certification (MANDATORY)

This certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. Pursuant to its delegated authority, the Fund is requiring the inclusion of this certification in all contracts with and grants from the PERF and TRF in excess of \$25,000. No award of a contract shall be made, and no contract, purchase order or agreement, the total amount of which exceeds \$25,000, shall be valid unless and until this certification has been fully executed by the Contractor and made a part of the contract or agreement as part of the contract documents. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of contract payments, termination of the contract or agreement and/or debarment of contracting opportunities with the Fund for up to three (3) years.

The Contractor certifies and agrees that it will provide a drug-free workplace by:

a. Publishing and providing to all of its employees a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

b. Establishing a drug-free awareness program to inform employees that (1) the dangers of drug abuse in the workplace; (2) the Contractor's policy of maintaining a drug-free workplace; (3) any

available drug counseling, rehabilitation, and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;

c. Notifying all employees in the statement required by subparagraph (a) above that as a condition of continued employment the employee will (1) abide by the terms of the statement; and (2) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;

d. Notifying in writing the Fund within ten (10) days after receiving notice from an employee under subdivision (c)(2) above, or otherwise receiving actual notice of such conviction;

e. Within thirty (30) days after receiving notice under subdivision (c)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) take appropriate personnel action against the employee, up to and including termination; or (2) require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency; and

f. Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (a) through (e) above.

14. Governing Laws (MANDATORY)

This contract shall be construed in accordance with and governed by the laws of the state of Indiana and suit, if any, must be brought in the state of Indiana.

15. Indemnification (MANDATORY)

Contractor agrees to indemnify, defend, and hold harmless the Fund and the state of Indiana, their agents, officers, and employees from all claims and suits including court costs, attorney's fees, and other expenses arising from or related to any act of bad faith, negligence, intentional or willful misconduct, breach of fiduciary duty, or any other negligent act or omission of Contractor and/or its agents, if any, in the performance of this contract. The Fund shall not provide such indemnification to Contractor.

16. Information Technology Enterprise Architecture Requirements

If the Contractor provides any information technology related products or services to the Fund, the Contractor shall comply with all IOT standards, policies and guidelines, which are online at <http://iot.in.gov/architecture/> The Contractor specifically agrees that all hardware, software and services provided to or purchased by the Fund shall be compatible with the principles and goals contained in the electronic and information technology accessibility standards adopted under Section 508 of the Federal Rehabilitation Act of 1973 (29 U.S.C. 794d) and IC 4-13.1-3. Any deviation from these architecture requirements must be approved in writing by IOT and the Fund in advance. The Fund may terminate this Contract for default if the Contractor fails to cure a breach of this provision within a reasonable time.

17. Licensing Standards (MANDATORY)

The Contractor and its employees and subcontractors shall comply with all applicable licensing standards, certification standards, accrediting standards and any other laws, rules or regulations governing

services to be provided by the Contractor pursuant to this Contract. The Fund shall not be required to pay the Contractor for any services performed when the Contractor, its employees or subcontractors are not in compliance with such applicable standards, laws, rules or regulations. If licensure, certification or accreditation expires or is revoked, or if disciplinary action is taken against the applicable licensure, certification or accreditation, the Contractor shall notify the Fund immediately and the Fund, at its option, may immediately terminate this Contract.

18. Minority and Women's Business Enterprise Compliance (MANDATORY)

The Contractor agrees to comply fully with the provisions of the Contractor's MBE/WBE participation plans, and agrees to comply with all Minority and Women's Business Enterprise statutory and administrative code requirements and obligations, including IC 4-13-16.5 and 25 IAC 5.

The Contractor further agrees to cooperate fully with the Minority and Women's Business Enterprise division to facilitate the promotion, monitoring, and enforcement of the policies and goals of MBE/WBE program including any and all assessments, compliance reviews, and audits that may be required.

19. Nondiscrimination (MANDATORY)

Pursuant to IC 22-9-1-10 and the Civil Rights Act of 1964, Contractor and its subcontractors, if any, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this contract, with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of his race, color, religion, sex, disability, national origin or ancestry. Breach of this covenant may be regarded as a material breach of contract. Acceptance of this contract also signifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination in the provision of services based on race, color, national origin, age, sex, disability or status as a veteran.

20. Condition of Payment (MANDATORY)

All services provided by the Contractor under this Contract must be performed to the Fund's reasonable satisfaction, as determined at the discretion of the undersigned Fund representative and in accordance with all applicable federal, state, local laws, ordinances, rules and regulations. The Fund shall not be required to pay for work found to be unsatisfactory, inconsistent with this Contract or performed in violation of and federal, state or local statute, ordinance, rule or regulation.

21. Penalties/Interest/Attorney's Fees (MANDATORY)

The Fund will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest, or attorney's fees, except as required by Indiana law.

22. Substantial Performance (MANDATORY)

This Contract shall be deemed to be substantially performed only when fully performed according to its terms and conditions and any written amendments or supplements.

23. Taxes (MANDATORY)

The Fund is exempt from Fund, federal, and local taxes. The Fund will not be responsible for any taxes levied on the Contractor as a result of this contract.

24. Work Standards (MANDATORY)

The Contractor agrees to execute its responsibilities by following and applying at all times the highest professional and technical guidelines and standards. If the Fund becomes dissatisfied with the work product or the working relationship with those individuals assigned to work on this contract, the Fund may request in writing the replacement of any or all such individuals.

All services provided by the Contractor under this Contract must be performed to the Fund's reasonable satisfaction, as determined at the discretion of the undersigned PERF representative and in accordance with all applicable federal, Fund, local laws, ordinances, rules and regulations. PERF shall not be required to pay for work found to be unsatisfactory, inconsistent with this Contract or performed in violation of and federal, Fund or local statute, ordinance, rule or regulation.

25. Background Investigations (MANDATORY)

All employees of Contractor who require access to the Fund's building at 143 West Market, Indianapolis, Indiana, or the Fund's confidential information shall be subject to the following personal background investigations: (i) Indiana Fund Police criminal history background check; (ii) Federal Bureau of Investigation fingerprint check; and (iii) Indiana Department of Revenue tax liabilities check. The Fund shall, in its sole discretion, decide whether the results of such background checks are acceptable. Costs associated with these background checks shall be the sole responsibility of the Contractor.

26. Waiver of Rights (MANDATORY)

No right conferred on either party under this contract shall be deemed waived and no breach of this contract excused, unless such waiver or excuse shall be in writing and signed by the party claimed to have waived such right.

27. Investigations and Complaints (MANDATORY)

To the extent permitted by applicable law, Contractor shall promptly advise Fund in writing of any extraordinary investigation, examination, complaint, disciplinary action or other proceeding relating to or affecting Contractor's ability to perform its duties under this contract which is commenced by any of the following: (1) any Attorney General or any regulatory agency of any Fund of the United Funds; (2) any U.S. Government department or agency; or (3) any governmental agency regulating business in any country in which Contractor is doing business. Except as otherwise required by law, Fund shall maintain the confidentiality of all such information until investigating entity makes the information public.

28. Ethics Requirement (MANDATORY)

The Contractor and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the Fund, as set forth in Indiana Code § 4-2-6 et seq., the regulations promulgated thereunder, and Executive Orders 04-08 and 05-12, dated April 27, 2004 and January 10, 2005, respectively. If the Contractor is not familiar with these ethical requirements, the Contractor should refer any questions to the Indiana State Ethics Commission, or visit the Indiana State Ethics Commission website at <<<<http://www.in.gov/ethics/>>>>. If the Contractor or its agents violate any applicable ethical standards, PERF and TRF may, in its sole discretion, terminate this contract immediately upon notice to the Contractor. In addition, the Contractor may be subject to penalties under Indiana Code § 4-2-6-12.

29. Authority to Bind (MANDATORY)

Notwithstanding anything in this contract to the contrary, the signatory for the Contractor represents that he/she has been duly authorized to execute agreements on its behalf.

30. Non-Collusion and Acceptance (MANDATORY)

The undersigned attests under penalties of perjury that he is the contracting party, or that he is the representative, agent, member or officer of the contracting party, that he has not, nor has any other member, employee, representative, agent or officer of the firm, company, corporation or partnership represented by him, directly or indirectly, to the best of his knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he has not received or paid, any sum of money or other consideration for the execution of this agreement other than that which appears upon the face of the agreement.

The parties, having read and with full understanding of the foregoing terms of the contract, do by their respective signatures dated below hereby agree to the terms herein, including, if this contract is in excess of \$25,000, the Drug-Free Workplace Certification.

REQUEST FOR PROPOSAL
SUDAN LEGISLATION COMPLIANCE SOLUTIONS
RFP NUMBER: 07-05

EXHIBIT C
FEES

Fees must be submitted in U.S. dollars. The services detailed in Exhibit A of this RFP are the basis for the proposed fees. The proposed fees shall include all costs for providing services to Indiana PERF and TRF as described and shall be guaranteed for five years. In no case will the final fee be higher than the fee contained in the proposal. In addition, payment of fees shall be in arrears.

**REQUEST FOR PROPOSAL
SUDAN LEGISLATION COMPLIANCE SOLUTIONS
RFP NUMBER: 07-05**

**EXHIBIT D
QUESTIONNAIRE**

The following questionnaire must be completed and included with your Respondent Proposal. The questionnaire has been prepared to obtain responses relative to the Respondent's capability to provide all services required to successfully perform said services.

FIRM NAME: _____

ADDRESS: _____

TELEPHONE #: _____

FAX #: _____

WEBSITE: _____

CLIENT CONTACT: _____

TITLE: _____

DATE: _____

E-MAIL ADDRESS: _____

ORGANIZATION

1. Please give a brief history of the firm including:
 - a. the year organized, and
 - b. the year the firm began providing research services to clients.
2. Please provide an organization chart (attach as Appendix A) which diagrams the ownership structure and interrelationships between the parent-subsidary, affiliate, or joint venture entities.
3. Indicate your office location(s); if more than one, indicate the functions at each location. Which office and who will be responsible for the management and client servicing of your product?
4. Is the firm currently involved, or in the last five years been involved, in any litigation or investigation by the SEC, a state or federal agency, or any governmental authority? Please explain.

5. Are there any potential conflict of interest issues your firm would have or foresees in providing services to Indiana Public Employees' Retirement Fund (PERF) or Indiana State Teachers' Retirement Fund (TRF)? If so, please explain.
6. Is your organization affiliated or does it have any professional relationships with the Sudan Divestment Task Force, STAND (Students Taking Action Now: Darfur) or any other human rights organization with a public interest in the Sudan atrocities? If so, please describe.
7. Describe the levels of coverage for errors and omissions, fiduciary and professional liability, and fidelity insurance. Is the coverage on a per client or on a total firm basis? Please list the insurance carriers.
8. Please attach as Appendix B a proposed consulting agreement that would address the services you are offering herein.

CLIENTS

1. Please list all current public pension plan clients in the format shown below. Indicate whether you provide Sudan-related services to such client. If you are legally bound not to reveal your clients' names, please provide available information to the extent you are not limited by contract or law.

<u>Name</u>	<u>Date of Inception</u>	12/31/06 <u>Market Value</u> <u>(\$ millions)</u>	<u>Sudan Services</u>
-------------	--------------------------	---	-----------------------

2. Please give details on the number and name(s) of all terminated institutional client relationships in the past three years, with reasons for the termination. Please provide a list of three (3) references from terminated clients.

PERSONNEL

1. For the primary PERF and TRF contact, and for any person serving as backup, please provide detailed biographies, including statements of the length of time of each at your firm. (Attach as Appendix C).
2. For the primary PERF and TRF contact, please disclose the total number of client relationships and any other duties assigned to that person.
3. For the research analysts employed by your firm who would be involved in the research, please provide relevant information regarding experience, education, certification, etc.
4. How often would the primary contact be available for meetings with PERF and TRF?
5. Will your client service personnel be available to answer questions and provide firm and research updates on an as-needed basis from individual members of PERF and TRF?

6. Will your firm be willing to meet with representatives of PERF and TRF on an as-needed basis?

PRODUCT

1. Please describe your research/screening product in detail.
2. Describe how this product will meet our research requirements.
3. Please explain to what extent your product can be customized to meet the requirements of HEA No. 1067.
4. How many plan sponsors are currently using your product?
5. How many years has your product been in use?
6. Explain what differentiates your product from a competitor's product?
7. Please attach as Appendix E a sample of your product and/or a sample showing the results of your research related to a specific company of your choice.
8. Are you willing to provide letter-writing services as well?

RESEARCH

1. Please describe your research/screening process in detail. Your response should include what information you will use, the source of the information and the methodology utilized.
2. Please describe the level and frequency of due diligence covering domestic and foreign companies with regard to active or inactive business operations in Sudan.
3. Do you purchase any of your research from other providers? If yes, please identify those providers.
4. Will you be able to provide us the reasons and corresponding research behind the inclusion or removal of a specific firm to the above list? Why or why not?

FEE

1. Please attach a complete schedule of fees that you would propose for this account and what services are included. Please note that, with respect to fees, all proposals will be compared *solely* on the basis of the fees presented in this Request for Proposal. Any discounts offered subsequent to the submission of this Request for Proposal will not be taken into consideration during the process of comparing proposals at any time prior to and including the final selection process.
2. Will there be any additional fees for training, meetings, etc.
3. Is your fee negotiable?

CONFIDENTIALITY

1. Do you have any confidentiality requirements regarding the release of information, particularly since the entity interested in purchasing the services is subject to disclosure under Indiana's Access to Public Records Act? If so, how are these requirements handled?
2. Can the list/research findings be made public?
3. Knowing that PERF and TRF must inform its investment managers of the Scrutinized Companies list for the purposes of Indiana law, do you have any concerns regarding the confidentiality or proprietary nature of your product or research that would limit PERF or TRF's ability to meet its obligations under the law? Why or why not?
4. What, if any, portions of your research or methodology do you claim is proprietary and/or trade secret information?
5. How would you propose PERF and TRF monitor your work to ensure compliance with the law governing the research?